

MAR 1 7 2006

1

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Judith L. Corley Perkins Coie 607 14th Street, NW Washington, DC 20005

RE: MUR 5384

Dear Ms. Corley:

This is in reference to the complaint filed by your client, Gephardt for President, Inc., with the Federal Election Commission on August 26, 2003, concerning Never Stop Dreaming, Inc. ("NSD"), an organization alleged to have engaged in fraudulent solicitation. On November 30, 2004, the Commission found that there was reason to believe NSD, Jade Newhart and Bill Baulding violated 2 U.S.C. § 441h(b), a provision of the Federal Election Campaign Act of 1971, as amended, and conducted an investigation in this matter. On August 25, 2005, the Commission conformed its reason to believe findings to reflect the actual names of the individual Respondents, Blanchi Dugatkin (a/k/a "Jade Newhart") and William Dugatkin (a/k/a "Bill Baulding"). On November 18, 2005, the Commission decided to take no further action as to NSD. On November 22, 2005, Blanchi Dugatkin and William Dugatkin pled guilty to one count each of misdemeanor fraudulent solicitation under 2 U.S.C. § 441h(b)(1), and the court accepted provisions conciliating civil violations of the Act as an addendum to the plea agreement. Following the court's sentencing of the Dugatkins on February 8, 2006, the Commission closed the file in this matter on March 2, 2006.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Copies of the plea agreement, factual basis and plea addendum are enclosed for your information. In addition, copies of the dispositive General Counsel's Reports are enclosed.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Julie K. McConnell

Enclosures

- 1. United States v. Dugatkin, Crim. No. 05-250, Plea Agreement, Addendum, and Factual Basis for Plea (D.D.C. filed Nov. 22, 2005).
- 2. General Counsel's Reports